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Economic Impact of LaughFest and Re-Branding of Grand Rapids

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Gilda Radner was part of the first ground-breaking cast of Saturday Night Live. During her career, she also appeared in several movies and on Broadway. She was all about “celebrating the good, the great and the funny.” In 1986 she was diagnosed with Ovarian Cancer, which ultimately took her life in 1989. During her cancer journey, she was part of a cancer support group and expressed that she wished that everyone going through this journey could have the same support. In 1991, Gilda’s cancer psychotherapist, Joanna Bull, with the help of Gilda’s husband and friends, founded Gilda’s Club in memory of Gilda and her wish. The first Gilda’s Club opened its doors in New York in 1995.

Gilda’s Club Grand Rapids opened its doors in 2001, started by local philanthropist and cancer survivor, Twink Frey, along with two other cancer survivors, Deb Bailey and Susan Smith. The club quickly grew into the largest and busiest of the 52 affiliates in North America. Ten years after it first opened its doors, Gilda’s Club Grand Rapids introduced its new major fundraising event LaughFest, a ten-day comedy festival focusing on the health benefits of laughter. The idea evolved from an effort to celebrate the ten-year anniversary of the club, and grew from a simple luncheon to a ten-day festival in downtown Grand Rapids. The main idea behind the festival was to raise not only money but awareness of the need for emotional healthcare. The festival was designed to reach across all ages and demographics with laughter in many forms. In the two years of its existence, LaughFest has netted over one-half million dollars for Gilda’s Club Grand Rapids, helping them continue to fund their programs for cancer patients and their families (Gilda’s Club Grand Rapids).

A survey taken in LaughFest’s second year (2012) found that it was successfully reaching people from many different ages and demographics. Furthermore, most attendees were satisfied or highly satisfied with their experience, suggesting that LaughFest was accomplishing its goal (see Chart 1).

The majority of people heard about LaughFest through regular media sources. TV, Radio, and the Internet were the most often cited sources of information about LaughFest, followed closely by Word of Mouth and Print (See Chart 2). Almost half of the respondents (46.3%) cited only one source, and another 47.6% got information from as many as five different sources. An extensive search found that LaughFest was mentioned at least 70 times in media outlets such as newspapers and news internet sites before the event even began, and that with TV and radio coverage as well, the festival was well covered by the local media. This coverage started in May 2011, 10 months before the event took place, and there was a significant increase in mentions of the event in November 2011. During the event the coverage, was just as extensive, with a similar number of hits as before the event. However, there was almost no mention of LaughFest in news media outside of Michigan, suggesting that most of the people who came in from out of state were either here for another reason or came for a specific artist.

Interestingly, word of mouth proved to be a very valuable marketing tool which, best of all, is free. The caveat is that word of mouth is outside the organization’s control and can work against LaughFest as much as it can help it.

Chart 2: How did people hear about LaughFest 2012?

The media attention resulted in over 56,000 people attending the event. More importantly, 22,500 of these people came to Grand Rapids primarily for LaughFest, drawing new people into the area and adding to the economy—an estimated 40–50% of the attendees came from more than 10 miles away. In addition, nearly 14% of these visitors came from far enough away that they stayed overnight in a local hotel, adding even
more to the local economy. So an event that is very important to the organization has also become important to the region.

By surveying people as they attended the events, it is possible to more completely analyze the effect on the local economy. These surveys showed that an average individual spent money primarily on food and beverages as can be seen in Chart 3.

**Chart 3: How much did people spend at LaughFest 2012?**

<table>
<thead>
<tr>
<th>Per Person Spending:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$7.95</td>
</tr>
<tr>
<td>Meals</td>
<td>$17.25</td>
</tr>
<tr>
<td>Transportation</td>
<td>$5.03</td>
</tr>
<tr>
<td>Other</td>
<td>$8.72</td>
</tr>
<tr>
<td>Total</td>
<td>$38.95</td>
</tr>
</tbody>
</table>

Although the spending patterns were different, the total effect for an average individual is very close to those seen in Artprize, as previously described in the *Seidman Business Review*. Students at GVSU (Brittany DeVries, Patrick Karabon, Zachary Koopman, and Casey VerStrate) used this data to show the total impact on the area. The result is $1.7–$2.2 million dollars in additional spending in Kent County as a result of LaughFest.

Spending by visitors supported jobs for many workers in the Grand Rapids area. However, the bigger effect on the region is that the event helps Grand Rapids re-brand itself. In order to draw in new business to the area, it is important that Grand Rapids differentiate itself from Detroit and the rest of Michigan. Events like this that generate national media attention go a long way to support this differentiation. LaughFest has been and should continue to be a successful event that people anticipate well in advance. The announcement of the 2013 lineup drew considerable media attention. The increasing media attention and success of LaughFest has not only helped Gilda’s Club continue its mission, but is helping make Grand Rapids a destination location and not one that people simply pass through on their way to somewhere else.